

STATE RISK MANAGEMENT FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2006

| | October-06 | | | | September-06 | | | | Current FYTD | Prior Year FY06 | 3 Years Ended 6/30/2006 | 5 Years Ended 6/30/2006 |
|--|------------------|---------------|---------------|--------------|------------------|---------------|---------------|---------------|-----------------|--------------------|-------------------------------|-------------------------------|
| | Allocation | | Month | | Allocation | | Quarter | | | | | |
| | Market Value | Actual | Policy | Net ROR | Market Value | Actual | Policy | Net ROR | Net | Net | Net | Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | |
| Los Angeles Capital | 128,810 | 3.3% | 3.4% | 4.34% | 126,362 | 3.3% | 3.4% | 1.60% | 6.01% | 11.12% | N/A | N/A |
| Total Structured Growth | 128,810 | 3.3% | 3.4% | 4.34% | 126,362 | 3.3% | 3.4% | 1.60% | 6.01% | 11.12% | 12.01% | -0.32% |
| Russell 1000 Growth | | | | 3.52% | | | | 3.94% | 7.59% | 6.12% | 8.35% | -0.76% |
| <i>Structured Value</i> | | | | | | | | | | | | |
| LSV | 140,759 | 3.6% | 3.4% | 3.46% | 139,232 | 3.6% | 3.4% | 4.90% | 8.53% | 15.05% | 21.14% | 12.22% |
| Russell 1000 Value | | | | 3.27% | | | | 6.22% | 9.70% | 12.10% | 15.70% | 6.89% |
| <i>Russell 1000 Enhanced Index</i> | | | | | | | | | | | | |
| LA Capital | 269,323 | 6.8% | 6.8% | 4.00% | 252,049 | 6.5% | 6.8% | 3.71% | 7.86% | 11.58% | N/A | N/A |
| Russell 1000 | | | | 3.40% | | | | 5.06% | 8.62% | 9.08% | N/A | N/A |
| <i>S&P 500 Enhanced Index</i> | | | | | | | | | | | | |
| Westridge | 271,603 | 6.9% | 6.8% | 3.29% | 269,141 | 6.9% | 6.8% | 5.75% | 9.22% | 8.77% | N/A | N/A |
| S&P 500 | | | | 3.26% | | | | 5.67% | 9.11% | 8.63% | N/A | N/A |
| <i>Index</i> | | | | | | | | | | | | |
| State Street | 94,788 | | | 3.77% | 93,496 | | | 5.78% | 9.77% | 9.51% | 11.47% | 2.62% |
| Total 130/30 | 94,788 | 2.4% | 2.3% | 3.77% | 93,496 | 2.4% | 2.3% | 5.78% | 9.77% | 9.51% | 11.47% | 2.62% |
| S&P 500 | | | | 3.26% | | | | 5.67% | 9.11% | 8.63% | 11.22% | 2.49% |
| TOTAL LARGE CAP DOMESTIC EQUITY | 905,284 | 22.9% | 22.5% | 3.72% | 880,279 | 22.7% | 22.5% | 4.49% | 8.38% | 10.95% | 13.63% | 3.95% |
| S&P 500 | | | | 3.26% | | | | 5.67% | 9.11% | 8.63% | 11.22% | 2.49% |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | |
| SEI | 306,817 | 7.8% | 7.5% | 5.47% | 290,872 | 7.5% | 7.5% | -0.01% | 5.46% | 13.58% | 18.20% | 7.84% |
| Russell 2000 + 200bp | | | | 5.92% | | | | 0.94% | 6.92% | 16.86% | 21.06% | 10.38% |
| TOTAL SMALL CAP DOMESTIC EQUITY | 306,817 | 7.8% | 7.5% | 5.47% | 290,872 | 7.5% | 7.5% | -0.01% | 5.46% | 13.58% | 18.20% | 7.86% |
| Russell 2000 | | | | 5.76% | | | | 0.44% | 6.22% | 14.58% | 18.70% | 8.50% |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | |
| Western Asset | 875,571 | 22.2% | 22.4% | 0.90% | 866,502 | 22.3% | 22.4% | 4.45% | 5.39% | -0.90% | 7.36% | 8.59% |
| Lehman Aggregate | | | | 0.66% | | | | 3.81% | 4.49% | -0.81% | 2.05% | 4.97% |
| <i>Core Plus/Enhanced</i> | | | | | | | | | | | | |
| Clifton Group | 200,883 | 5.1% | 5.2% | 0.52% | 199,868 | 5.2% | 5.2% | N/A | N/A | N/A | N/A | N/A |
| Prudential | 199,958 | 5.1% | 5.2% | 1.03% | 197,637 | 5.1% | 5.2% | N/A | N/A | N/A | N/A | N/A |
| Total Core Plus/Enhanced | 400,841 | 10.2% | 10.4% | 0.77% | 397,505 | 10.3% | 10.4% | N/A | N/A | N/A | N/A | N/A |
| Lehman Aggregate | | | | 0.66% | | | | 3.81% | | | | |
| <i>Index</i> | | | | | | | | | | | | |
| Bank of ND | 383,879 | 9.7% | 9.8% | 0.61% | 381,114 | 9.8% | 9.8% | 3.10% | 3.73% | -1.14% | 1.14% | 4.90% |
| Lehman Govt/Credit (1) | | | | 0.63% | | | | 3.91% | 4.57% | -1.52% | 1.04% | 4.78% |
| <i>BBB Average Quality</i> | | | | | | | | | | | | |
| Wells Capital (formerly Strong) | 875,663 | 22.2% | 22.4% | 0.96% | 866,268 | 22.3% | 22.4% | 4.60% | 5.60% | -2.11% | 2.63% | N/A |
| Lehman US Credit BAA | | | | 0.89% | | | | 4.80% | 5.73% | -2.37% | 2.63% | N/A |
| TOTAL DOMESTIC FIXED INCOME | 2,535,954 | 64.2% | 65.0% | 0.86% | 2,511,389 | 64.8% | 65.0% | 4.28% | 5.18% | -1.39% | 6.59% | 7.79% |
| Lehman Aggregate (2) | | | | 0.66% | | | | 3.81% | 4.49% | -0.81% | 1.84% | 5.28% |
| CASH EQUIVALENTS | | | | | | | | | | | | |
| Bank of ND | 200,923 | 5.1% | 5.0% | 0.44% | 194,519 | 5.0% | 5.0% | 1.35% | 1.79% | 4.50% | 2.71% | 2.42% |
| 90 Day T-Bill | | | | 0.38% | | | | 1.33% | 1.71% | 4.00% | 2.37% | 2.25% |
| TOTAL RISK MANAGEMENT FUND | 3,948,977 | 100.0% | 100.0% | 1.83% | 3,877,059 | 100.0% | 100.0% | 3.91% | 5.81% | 2.38% | 5.46% | 4.44% |
| POLICY TARGET BENCHMARK | | | | 1.61% | | | | 3.85% | 5.53% | 2.71% | 5.12% | 4.84% |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.